

# **EXHIBIT C**

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

CYNTHIA RUSSO, LISA BULLARD, )  
RICARDO GONZALES, INTERNATIONAL )  
BROTHERHOOD OF ELECTRICAL WORKERS )  
LOCAL 38 HEALTH AND WELFARE FUND, )  
INTERNATIONAL UNION OF OPERATING )  
ENGINEERS LOCAL 295-295C WELFARE )  
FUND, AND STEAMFITTERS FUND LOCAL )  
439, on Behalf of Themselves and )  
All Others Similarly Situated, )  
)  
Plaintiffs, )  
)  
vs. ) Case No.  
)  
WALGREEN CO., )  
)  
Defendant. )  
)  
-----)

VIDEO-RECORDED REMOTE DEPOSITION OF  
LYNETTE HILTON, Ph.D.  
Tuesday, January 17, 2023  
Volume I

\*\*\* CONFIDENTIAL PURSUANT TO PROTECTIVE ORDER \*\*\*  
Reported by:  
CARLA SOARES  
CSR No. 5908  
Job No. 5645367  
Pages 1 - 347

Page 74

1 generic prescription drugs from Walgreens? 17:22:12

2 MR. ALEXANDER: Objection to form.

3 THE WITNESS: For example, the PBM could  
4 pay Walgreens for a prescription, and the TPP would  
5 reimburse the PBM for that amount. 17:22:15

6 BY MR. LEIB:

7 Q Is that a real-world situation that  
8 occurs?

9 MR. ALEXANDER: Objection to form.

10 THE WITNESS: It is my understanding that 17:22:18  
11 that can occur, yes.

12 BY MR. LEIB:

13 Q In what situations can that occur?

14 MR. ALEXANDER: Objection to form.  
15 Objection to scope. 17:22:21

16 THE WITNESS: The example that I just gave  
17 where a PBM would be paying the pharmacy, and then  
18 the TPP would be paying the PBM.

19 BY MR. LEIB:

20 Q Do you know the terms "spread pricing" and 17:22:24  
21 "pass-through pricing"?

22 A I have heard those terms, yes.

23 Q Are you referring -- in your example, are  
24 you referring to one of those situations?

25 A I wasn't intending to. I suppose that 17:22:28

Page 76

1 in part, for generic prescription drugs from 17:22:48  
2 Walgreens?

3 A I'm sorry. Could you repeat that? Did  
4 you say "person or entity"?

5 Q Yes. Are you aware of any other examples 17:22:51  
6 of a person or entity who reimbursed, in whole or in  
7 part, for generic prescription drugs from Walgreens?

8 A Examples other than consumers and TPPs  
9 that we just discussed?

10 Q I don't think you talked about consumers. 17:22:56  
11 I think you talked about, in your answer, the TPP  
12 paying the PBM.

13 Did I misunderstand?

14 A Well, I think you -- unless I  
15 misunderstood what you said -- did you change the 17:23:00  
16 question to who paid or reimbursed?

17 Q No. I'm just asking reimbursed.  
18 Situations in which a person or entity reimbursed,  
19 in whole or in part, for generic prescription drugs  
20 from Walgreens. 17:23:05

21 A Okay.

22 Q You gave me one example you could think of  
23 of that type of a situation. I'm asking you if you  
24 have any other examples that you can think of where  
25 that would happen. 17:23:09

Page 77

1 A I see. No.

17:23:10

2 Q And did you consider the term "or  
3 reimbursed" in your methodology in any way?

4 A No, I don't think so.

5 Q And then it says -- after it talks about

17:23:14

6 the time period, January 1st through the present,  
7 and the states that we've already referred to, it  
8 says, "where the usual and customary price was a  
9 basis for the amount paid or reimbursed in

10 connection with the purchase of such drug."

17:23:19

11 Do you see that?

12 A Yes.

13 Q So if the U&C price was not the basis of  
14 the amount paid or reimbursed, would that

15 transaction be excluded from your analysis of who's  
16 in the class?

17:23:23

17 MR. ALEXANDER: Objection to form.

18 THE WITNESS: Yeah. Can you repeat that  
19 question? Because I'm not sure --

20 BY MR. LEIB:

17:23:27

21 Q Sure. I'm going to break it up a little  
22 bit.

23 A Yeah. Okay.

24 Q To determine if a person or an entity for  
25 whom prescription drug benefits were provided

17:23:30

Page 78

1 through those eight PBMs who we're defining as the 17:23:30  
2 relevant PBMs -- is that correct? Does "relevant  
3 PBM" make sense to you?

4 A Yes.

5 Q Okay. If -- to determine who the persons 17:23:34  
6 or entities for whom prescription drug insurance  
7 benefits were provided through those relevant PBMs,  
8 and who paid or reimbursed, in whole or in part, for  
9 generic prescription drugs from Walgreens, where the  
10 usual and customary price was a basis for the amount 17:23:38  
11 paid or reimbursed in connection with the purchase  
12 of such drug, you need to look at -- you need to  
13 determine if there were any transactions where the  
14 person or entity had that situation, correct?

15 A I think that's correct. 17:23:44

16 Q And in looking at those transactions to  
17 decide if somebody is in the class, if the U&C price  
18 was not a basis for the amount a person or entity  
19 paid or reimbursed, then would you exclude that  
20 transaction from your analysis? 17:23:49

21 MR. ALEXANDER: Objection to form.

22 MR. LEIB: I'm going to change it very  
23 slightly.

24 Q In looking at those transactions to decide  
25 if somebody is in the class, either a person or an 17:23:52

Page 79

1       entity, if the U&C price was not a basis for the       17:23:54  
2       amount a person or entity paid or reimbursed, then  
3       do you, in your methodology, exclude that  
4       transaction from your analysis?

5             A     I'm having a hard time answering the       17:23:58  
6       question as asked.

7             Would you like me to ask a point of  
8       clarification or do you want to --

9             Q     I would.

10            A     Okay. Are you asking whether that entity       17:24:01  
11       paid the U&C price or whether it was one of the  
12       factors determined -- or looked at when they were  
13       determining the price?

14            Q     I'm actually asking whether it was paid or  
15       reimbursed. If the U&C price -- not whether it was       17:24:06  
16       considered in determining was one of the factors, as  
17       you say -- but whether it was paid according to U&C.

18            A     Okay. I'm sorry. Can you ask the  
19       question again now that I have that understanding?

20            Q     In looking at those transactions to decide       17:24:13  
21       if somebody is in the class, either a person or an  
22       entity, if the U&C price was not a basis for the  
23       amount a person or entity paid or reimbursed, then  
24       do you, in your methodology, exclude that  
25       transaction from your analysis?       17:24:19

Page 80

1 MR. ALEXANDER: Objection to form. 17:24:19

2 THE WITNESS: No.

3 BY MR. LEIB:

4 Q Tell me why not.

5 A So it's my understanding that I should be 17:24:21

6 including any transaction where U&C was considered.

7 Q As a possible basis for payment?

8 A That's right.

9 Q Okay. This definition doesn't say that,  
10 though, does it? Would you agree with me on that? 17:24:25

11 MR. ALEXANDER: Objection to form.

12 THE WITNESS: I'm not sure I agree with  
13 you on that.

14 BY MR. LEIB:

15 Q Well, would you agree that it says, "where 17:24:27  
16 the usual and customary price was a basis for the  
17 amount paid or reimbursed"?

18 A Yes, I see that.

19 Q Would you agree with me that it doesn't  
20 say, "where the usual and customary price was a 17:24:31  
21 consideration for the amount the person paid or  
22 reimbursed"?

23 A It doesn't say the word "consideration."  
24 I agree with you.

25 Q It doesn't say anything like 17:24:35



Page 271

1 And if the co-insurance was 25 percent, the TPP 18:27:09  
2 would pay the PBM \$75, and the consumer would pay  
3 Walgreens \$25; is that correct?

4 A That's my understanding, yes.

5 Q Is there a field that you look at to 18:27:13  
6 determine whether an individual consumer had  
7 co-payment versus co-insurance?

8 A I used the -- I calculated it myself.

9 So I looked at the consumer portion  
10 divided by the total amount paid by the consumer and 18:27:16  
11 the TPP for a given PBM in a given month.

12 And if 90 percent of those transactions  
13 were the same percentage, then I assumed that it was  
14 a co-insurance situation. Otherwise, it was a  
15 co-payment situation. 18:27:23

16 Q So that's the number you used, 90 percent.  
17 If 90 percent of the time it was the same  
18 percentage, then you decided it was co-insurance?

19 A Yes. It's my understanding that there are  
20 some variables in Walgreens' data that potentially 18:27:28  
21 have information on that, and also that the PBMs  
22 would have information on that.

23 But this is the way that I did it with  
24 what -- the data that I have currently.

25 Q What data were you looking at to determine 18:27:32

Page 272

1 that?

18:27:33

2 A To determine what? Sorry.

3 Q Whether 90 percent had a certain  
4 percentage.

5 A So I was looking at -- for the PBM data  
6 merged onto the Walgreens data.

18:27:36

7 If the consumer payment from the Walgreens  
8 data, the TPP payment from the PBM data, the sum of  
9 those becomes the denominator, the consumer payment  
10 is the numerator, and if that percentage is greater  
11 than -- if I see that percentage is greater than  
12 90 percent of the transactions for a given month for  
13 a given PBM, then I assume that it's a co-pay --  
14 excuse me -- co-insurance situation.

18:27:41

15 Q And if it was 89 percent of the time, you  
16 would figure it was co-pay?

18:27:48

17 A Yes. That's the current methodology.

18 Q What are you looking at -- what are we  
19 getting as the sum total that we're trying to find a  
20 denominator for? How do we determine that  
21 denominator? What are we looking at? Is it for an  
22 individual?

18:27:52

23 So Bob Smith, we're looking at all Bob  
24 Smith's transactions in a month?

25 A No. This is a transaction-by-transaction

18:27:57

Page 273

1 analysis.

18:27:58

2 Q Well, I thought you said to determine if

3 it's a co-insurance, you looked at a whole month.

4 A So for a given transaction, I would

5 calculate the consumer portion as a percentage of

18:28:01

6 the total amount paid, which is given by the TPP

7 payment plus the consumer payment. So that's on a

8 transaction-by-transaction -- I first do that.

9 Q Okay.

10 A Then for a given month, I look at all of

18:28:06

11 those transactions and determine whether most of the

12 transactions have that same 25 percent, for example.

13 Q What do you mean by "those transactions"?

14 A So first I start with the PBM

15 transactions, and I look at each transaction,

18:28:11

16 calculate the percentage that the consumer paid for

17 each transaction.

18 So do you have that in your mind?

19 Q That one I've got. The individual I've

20 got.

18:28:15

21 A Okay. Okay. So then, for every month,

22 let's say for month one, there are ten transactions.

23 Q Ten transactions for -- ten transactions

24 for --

25 MR. ALEXANDER: Please --

18:28:19

Page 274

1 MR. LEIB: I understand.

18:28:20

2 Q Ten transactions for Bob Smith? Is that  
3 what you're saying?

4 MR. ALEXANDER: Counsel, I would just ask,  
5 please let the witness complete her answer in full  
6 before asking the next question, even if it's to  
7 clarify what she is testifying to.

18:28:22

8 BY MR. LEIB:

9 Q No, it's not just for Bob Smith.

10 So what are all the transactions that  
11 you're looking at to decide if Bob Smith has a  
12 co-pay or co-insurance?

18:28:25

13 A So I'm looking at -- again, this is the  
14 PBM-produced data for the fund plaintiffs.

15 So I'm looking at, for a given PBM, for a  
16 given month, all of the transactions in that month.  
17 So these were the fund plaintiffs, right, for a  
18 given PBM.

18:28:30

19 Q Well, you first said, "For a given PBM for  
20 a given month." And then you said, "So these were  
21 the fund plaintiffs," right?

18:28:35

22 So, look. Steamfitters -- which did have  
23 co-insurance -- Steamfitters had a specific plan.  
24 That plan provided that they had co-insurance.

25 Are you only looking at Steamfitters

18:28:40

Page 275

1 beneficiaries in that month, or are you looking at 18:28:41  
2 all CastiaRx transactions in that month?

3 MR. ALEXANDER: Objection to form.

4 THE WITNESS: So I'm doing it by PBM. So  
5 to answer your question, if I looked at -- I would 18:28:45  
6 look at Castia transactions for month one for all  
7 of -- all of the transactions in that month, and  
8 determine if the majority, or more than the -- you  
9 know, 90 percent, were the same percentage,  
10 25 percent, 35 percent, whatever it is, then I would 18:28:50  
11 identify that as a co-insurance situation.

12 That works with the data that I have here.  
13 If I'm given more PBM data, my assumption is that  
14 the PBM -- we would ask the PBM to turn over that  
15 information that would allow me to identify whether 18:28:56  
16 there was a co-insurance or co-pay situation.

17 BY MR. LEIB:

18 Q Before we get to if the PBM turns over  
19 more data, you understand that CastiaRx administers  
20 thousands of plans, right? 18:29:00

21 A I don't know that. It wouldn't surprise  
22 me.

23 Q It would surprise you or wouldn't?

24 A Would not.

25 Q What about Express Scripts? You know 18:29:04

1 I, the undersigned, a Certified Shorthand  
2 Reporter of the State of California, do hereby  
3 certify:

4 That the foregoing proceedings were taken  
5 before me at the time and place herein set forth;  
6 that any witnesses in the foregoing proceedings,  
7 prior to testifying, were administered an oath; that  
8 a record of the proceedings was made by me using  
9 machine shorthand which was thereafter transcribed  
10 under my direction; that the foregoing transcript is  
11 a true record of the testimony given.

12 Further, that if the foregoing pertains to  
13 the original transcript of a deposition in a Federal  
14 Case, before completion of the proceedings, review  
15 of the transcript [ ] was [x] was not requested.

16 I further certify I am neither financially  
17 interested in the action nor a relative or employee  
18 of any attorney or any party to this action.

19 IN WITNESS WHEREOF, I have this date  
20 subscribed my name.

21  
22 Dated: January 23, 2023

23 Carla Soares  
24

25 CARLA SOARES

CSR No. 5908